



ccw

The voice for water consumers  
Llais defnyddwyr dŵr

## Business customer complaints

1 April 2021 - 31 March 2022



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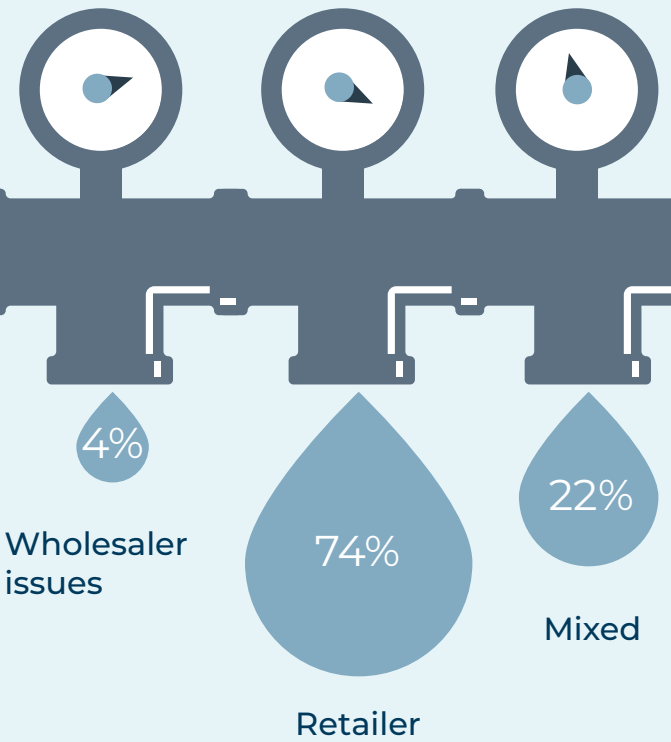
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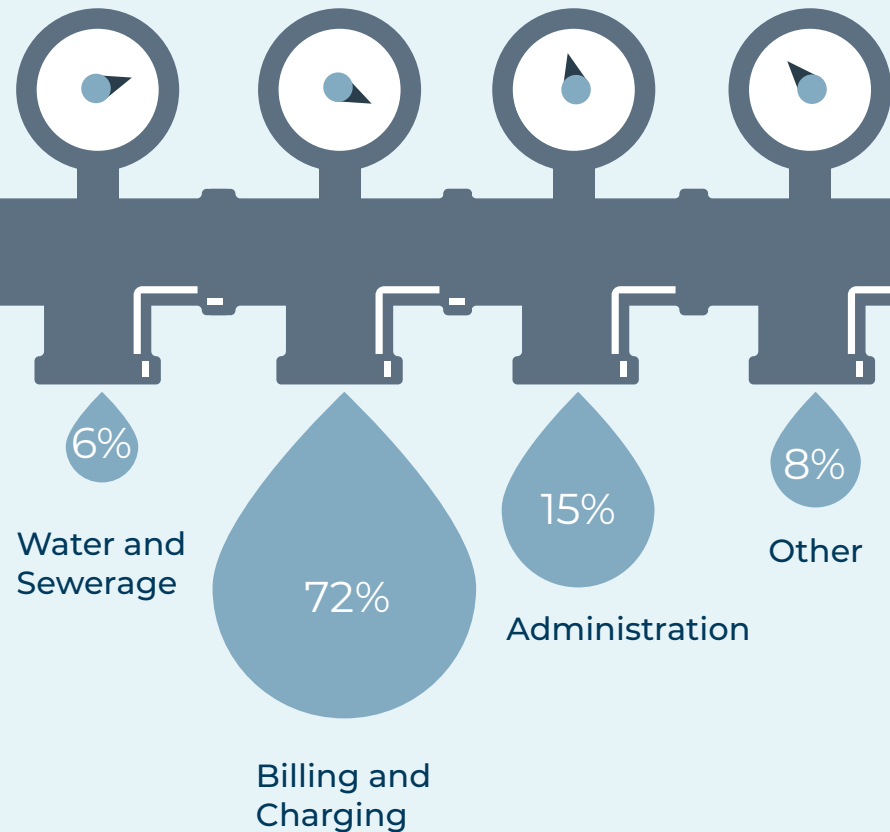
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Type of complaint to retailers



Type of complaint to CCW



Total complaints to Retailers



2020-21 **2,848** Total complaints to CCW

2021-22 **2,295** Total complaints to CCW 19% Decrease

Poorer Performers

- Water Plus
- SES Business Water
- Clear Business Water
- Castle Water

Better Performers

- Hafren Dyfrdwy
- First Business Water
- Water2Business
- Dŵr Cymru

# Introduction

**Our annual business customer complaint report gives an overview of complaint performance in the business retail market in England for 2021-22. We also examine how well water companies are performing in Wales, where only the very largest water users are able choose their water retailer<sup>1</sup>. For the purpose of this report, we have used the word ‘retailers’ to mean both water companies in Wales and retail service providers, unless otherwise stated.**

We gain insight into the performance of retailers using two sources of customer complaint; written complaints received directly by retailers and those escalated to CCW. So that we can make comparisons about retailer performance, we account for the different retailer sizes by adjusting complaint numbers by the amount of connections, known in the industry as supply points (SPIDs<sup>2</sup>), served by each retailer.

Almost all<sup>3</sup> business complaints relate to retailers who supply more than 5,000 SPIDs<sup>4</sup>. There are a number of smaller retailers

operating in the market that supply less than 5,000 SPIDs and we recognise that the very small numbers of complaints for this group can make their performance appear extreme. We therefore consider this group separately from larger retailers.

For larger retailers we compare performance using the median (mid-point) and quartiles. You can find out more information about our methodology for making comparisons about performance on our [website here](#).

You can find in depth data tables in the report [appendices here](#).

<sup>1</sup> In April 2017, the water retail market in England was opened to businesses, charities and public sector organisations. This allowed them to choose who provides their retail services which cover customer service, billing and meter readings. In Wales, only business customers who use 50 megalitres of water a year are eligible to access the retail market and choose their water retailer. Therefore, for the majority of business customers in Wales, their retail services are still provided by the water companies Dŵr Cymru Welsh Water and Hafren Dyfrdwy.

<sup>2</sup> A Supply Point ID (SPID) is a reference number for each supply point to a business customer premises and applies only to retailers. For water companies we use connections instead of SPIDs for normalising complaints.

<sup>3</sup> 99.9%

<sup>4</sup> We refer to these as larger retailers throughout this report.

# The business market

**The business market was still feeling the effects of the pandemic as we entered April 2021, with all non-essential businesses in lockdown. The continued pressure on businesses made it even more imperative for retailers to ensure that affected customers were being charged correctly for their water use, and that financial help was readily available.**

Retailers were still required to offer Covid-19 repayment plans to any struggling business, which remained an obligation until the end of July 2021. Many continued to reach out to more businesses who had yet to receive this support. Throughout this difficult period, we were encouraged to see a number of retailers refraining from carrying out debt recovery

action against those who were struggling to keep up with their payments. Complaints to CCW on this issue fell significantly as many strived to provide customers with clear information. Some retailers, such as Clear Business Water, went even further to support their customers by advising them on the different types of government support available. This was something we welcomed. The impact of Covid-19 restrictions meant many businesses saw a change in the amount of water they used – making the importance of accurate bills even more significant. Retailers and CCW saw an increase in the number of complaints about estimated bills and billing inaccuracy in 2020-21. Our research tells us that business customers want more frequent meter readings<sup>5</sup> to help them understand and manage consumption. Taking actual meter readings is starting to increase with the number of meters going unread for over 12 months falling across the sector from 23% to 15% between April 2021 and March 2022<sup>6</sup>. This has meant that we have seen significant reductions in this type of complaint. This may also be because the pandemic led to retailers actively promoting the importance of businesses submitting regular meter readings to achieve accurate bills.

<sup>5</sup> [SME customers' preferences for meter reading frequencies | CCW \(ccwater.org.uk\)](#)

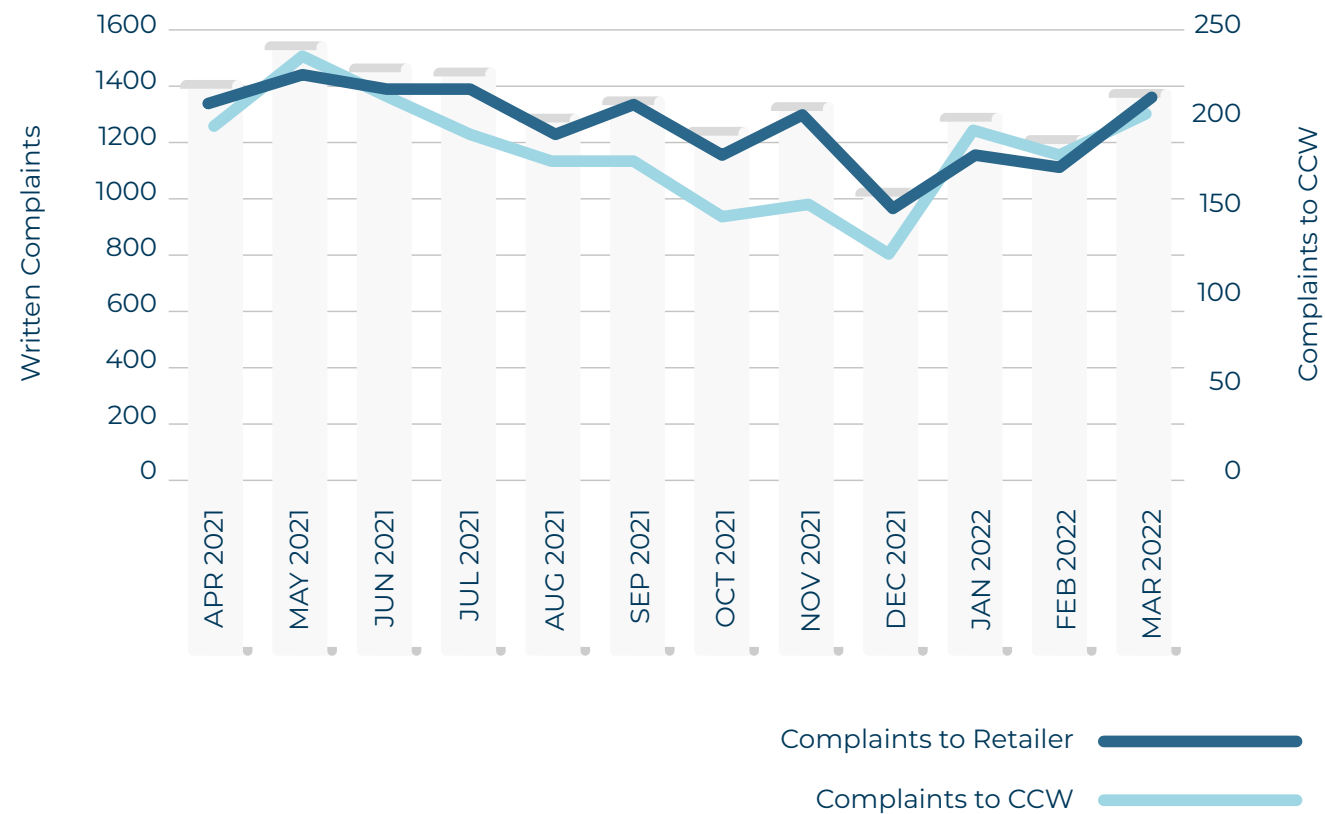
<sup>6</sup> Source: [Chart \(mosl.co.uk\) 23 June 2022](#)



Everflow recognised the adverse impact that the pandemic had had on the frequency of its meter readings and put in place a post-Covid meter reading recovery strategy. In April 2021 23% of its meters had not been read in the last 12 months but by March 2022 this had reduced to 8%. The retailer is striving to reduce this further to ensure its customers receive bills based on timely meter readings.

Other than a small rise as the third wave of lockdown restrictions were eased in England at the start of the financial year, both written complaints to retailers and complaints to CCW showed a downward trend until December 2021. Complaints then rose during the last quarter in line with the annual billing cycle, which is a rise we typically see every year.

**Chart 1: Written complaints and complaints to CCW by month**  
Monthly Complaint Volumes 2021-22





# Mixed results in written complaints to retailers

**There were 14,694 written complaints made to all retailers in 2021-22, all but nine of which were raised with larger retailers. This marked a slight decrease (3%) from the 15,102 received in the previous year.**

Alongside the fall in overall numbers, the median (mid-point) also decreased - down from 26.4 complaints per 10,000 SPIDs in 2020-21 to 20.1. This was because of a concentrated effort from many of the retailers to improve performance. While the overall reduction was welcome, variation in complaint levels across retailers was more pronounced than at any point since the market opened<sup>7</sup>. Six of the twelve larger retailers actually received more complaints in 2021-22 than the previous year (see Table 2).

Chart 2: Written complaints to retailers

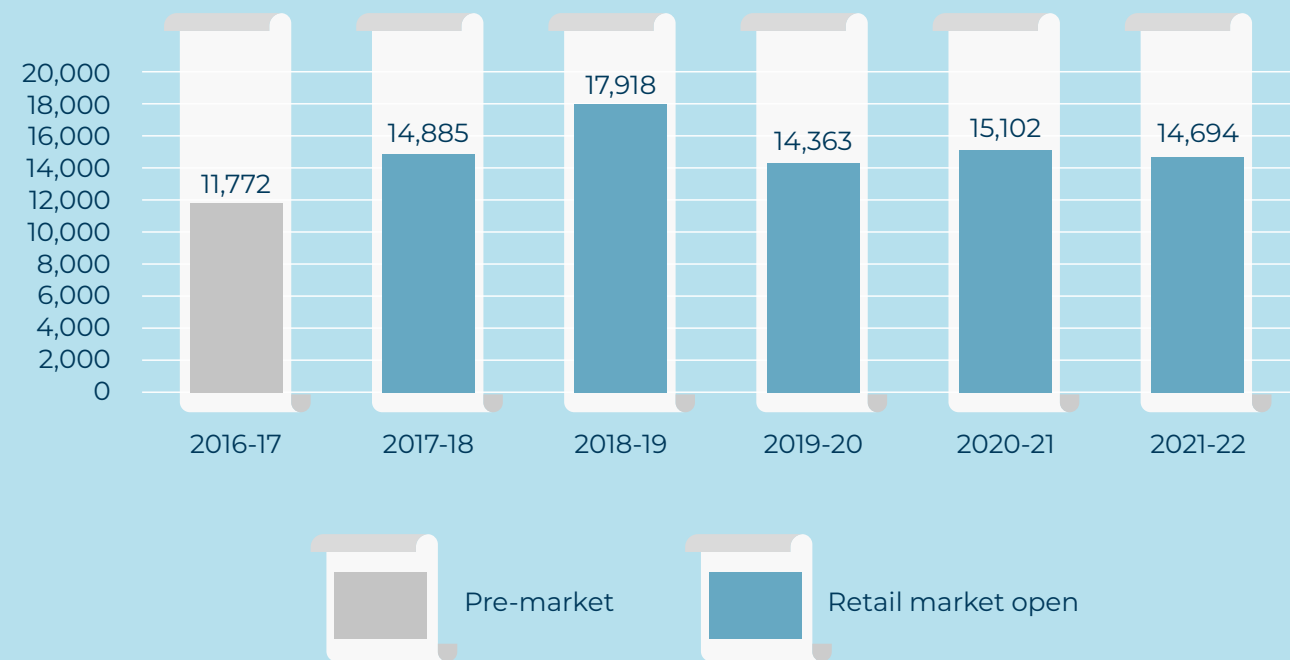
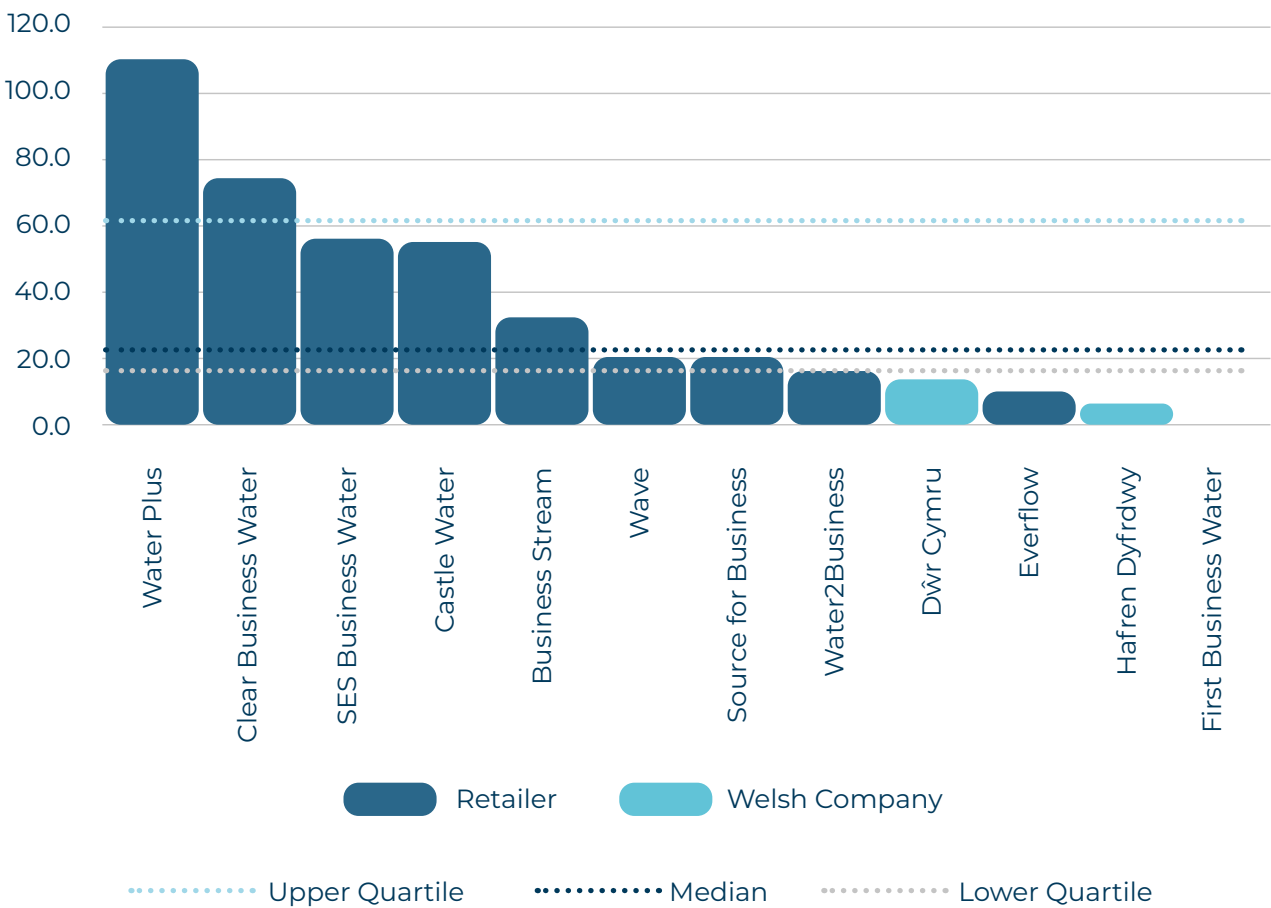


Chart 3: Written complaints to larger retailers  
Written complaints per 10,000 SPIDs 2021-22



<sup>7</sup> The inter-quartile range was 46.2 whereas previous years since the market opened it had always been between 34 and 35.



# Complaints involving wholesalers<sup>8</sup>

Where retailers have received complaints we ask them to identify who was responsible for the underlying cause of each one (the wholesaler or retailer). It was reported that 3,676 complaints from business customers were caused, in some part, by wholesaler activity.

This represents a 69% increase in the total number of wholesale-related complaints (up from 2,169 in 2020-21). This meant 26% of complaints were caused in part by wholesalers – up from 15% in 2020-21. We worked hard with retailers throughout the year to more clearly define the root causes of complaints involving wholesalers and to produce clear guidance for consistency in reporting them. Therefore the increase may be due – at least in part - to more accurate complaint reporting.

Figures provided by the central market operator, MOSL<sup>9</sup> show that retailers raised 2,988 complaints with wholesalers on behalf of their customers, in line with the non-household market codes. This would include any complaint about a wholesaler service of a non-urgent nature. The increase in both datasets provides some evidence that wholesale issues have contributed more to complaints than they did in the previous year. It is not currently possible to determine what has driven this rise. Both CCW and MOSL have now increased the level of detail in the data they receive from retailers to provide greater insight into wholesaler-related issues for future years.

Table 1 illustrates that there remains significant variance in the role of wholesalers causing complaints across the market.

Although the increase in complaints associated with wholesaler activity is important, 74% of complaints to retailers were caused solely by their own actions.

Table 1: Written complaints broken down by responsibility<sup>10</sup>

Retailer	Total Written Complaints	Reported as a retail issue	Reported as caused by another Retailer	Reported as a wholesale issue	Reported as a mixed issue	% of complaints with wholesaler involvement
Business Stream	1334	1095	41	86	112	15%
Castle Water	2970	2214	8	114	634	25%
Clear Business Water	141	107	4	14	16	21%
Everflow	103	82	0	10	11	20%
Source for Business	322	109	3	72	138	65%
SES Business Water	234	168	0	56	10	28%
Water Plus	8211	6067	0	51	2093	26%
Water2Business	259	204	8	47	0	18%
Wave	819	607	0	77	135	26%
Yu Water	9	9	0	0	0	0%
Total	14402	10653	64	527	3149	26%

<sup>8</sup> The provision and maintenance of water and wastewater services remains the responsibility of regional water companies, referred to as 'wholesalers' in the business sector.

<sup>9</sup> F5 Non-Household Customer complaints data extracted from Operational Performance Standards dashboard 8 June 2022

<sup>10</sup> Excludes retailers who have reported zero complaints

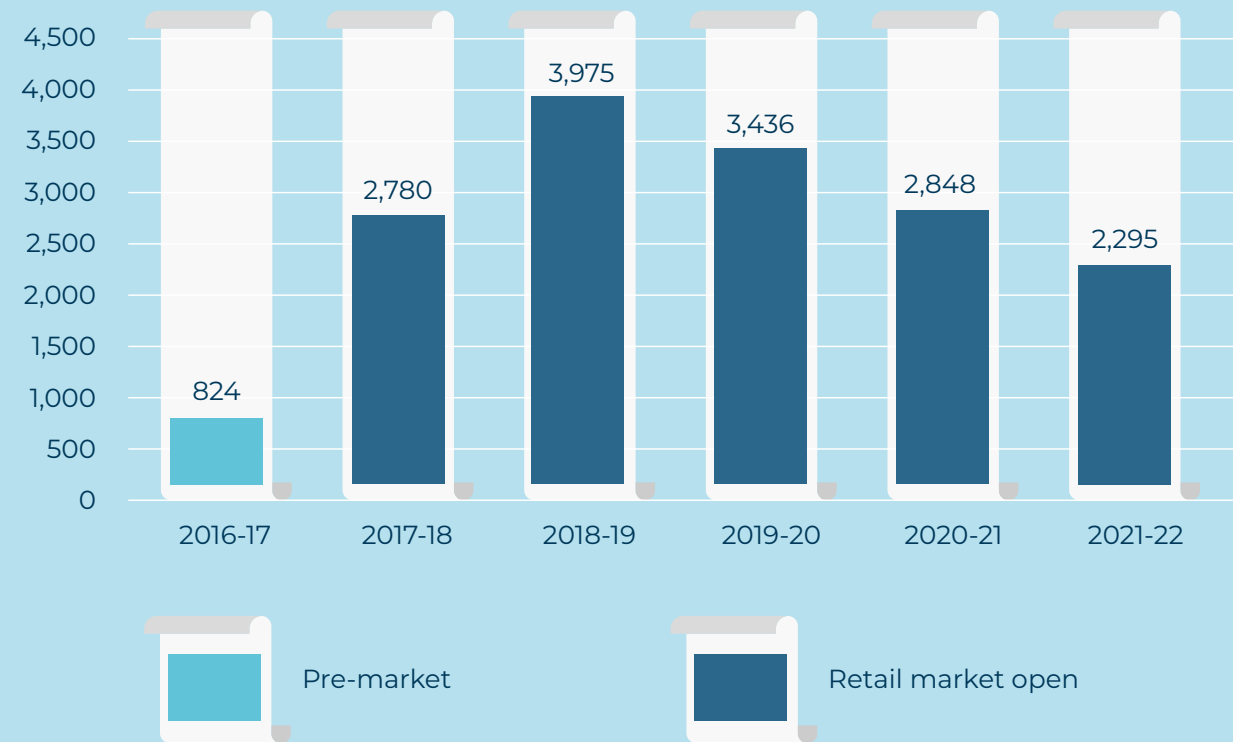
# Complaints to CCW fall again

**Overall complaints made about retailers to us fell by 19%, with the majority of retailers reducing them significantly. For example, Clear Business Water maintained the improvement we saw in 2020/21.**

It made improvements to customer billing accuracy, which may have contributed to the continued decrease, particularly as payment support was proactively offered to any customers who received higher bills. It has also continued to improve the quality of its handling of customer contacts, resulting in less businesses needing to escalate their dispute to us.

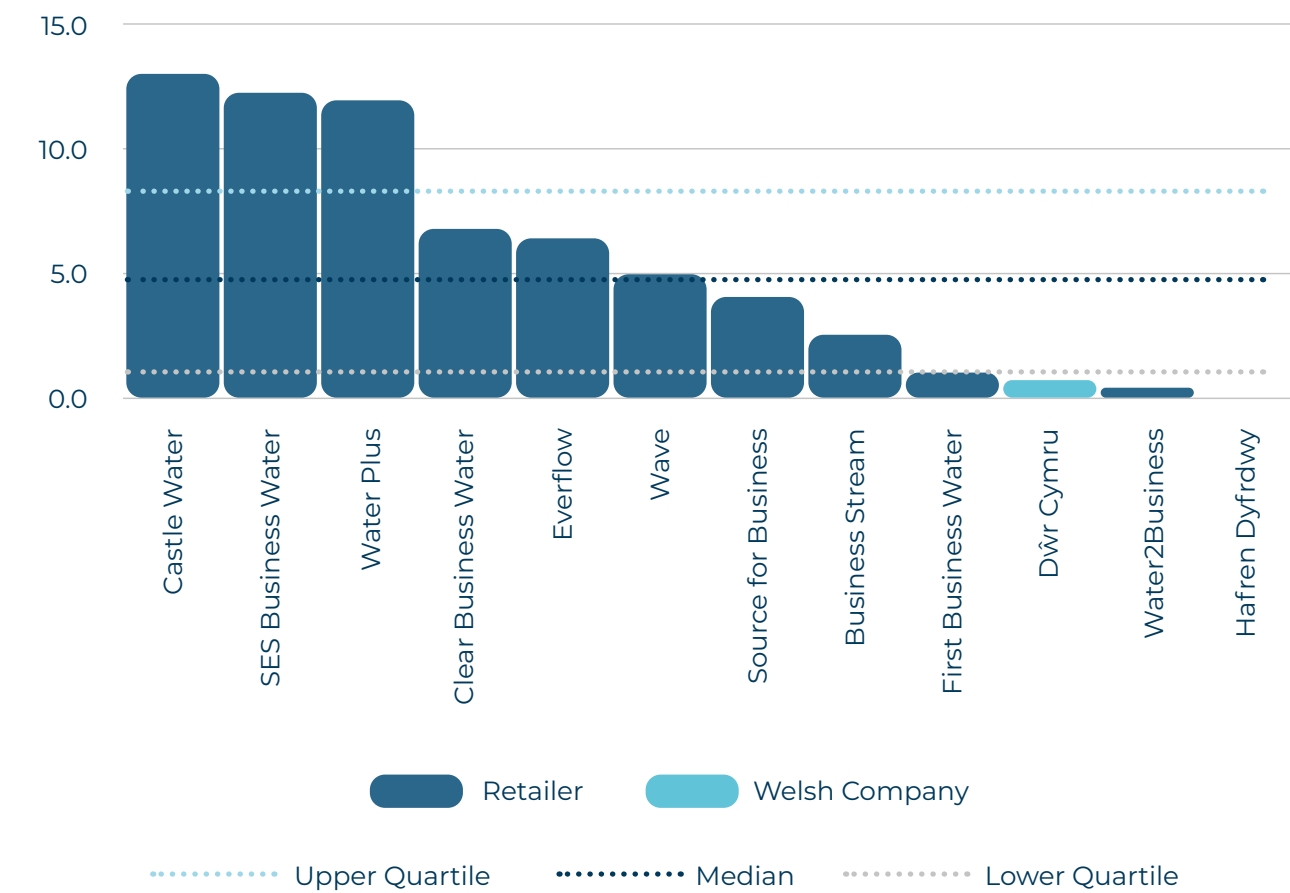
The impact of Covid-19 in 2019-20 makes it difficult to draw definitive conclusions. However this is the third consecutive year that complaints to us have fallen and offers some evidence that retailers are improving their resolution of customer complaints without the need for escalation. This improvement is welcome but the rate of complaints still remains almost three times greater than the pre-market level of 2016-17, so there is still much more to be done to improve customer service delivery.

Chart 4: Complaints made directly to CCW



Alongside the reduction in complaints to CCW, the overall variation between individual retailers has reduced. Despite this, Chart 5 shows that the rate of complaints varies considerably between retailers and illustrates that both Welsh companies performed better than the majority of market participants in England.

Chart 5: Distribution of complaints to CCW across larger retailers





# Investigations reduce again

**The reduction in the number of investigations we had to raise in 2021-22 provides further evidence that retailers are improving complaint handling.**

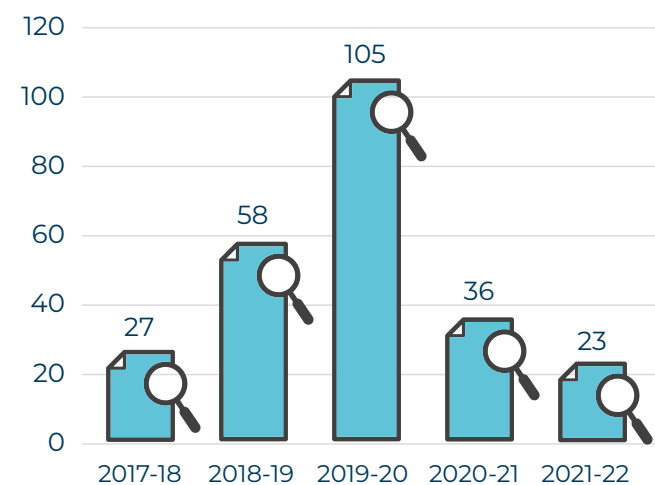
Investigations are our most serious involvement in complaints and are instigated under the following criteria:

- When the retailer complaints process has been exhausted and issues remain that the customer has raised and should be addressed by the retailer;
- Where there are long-standing service failures that the retailer was aware of but failed to action. This includes a retailer not responding to repeated points the customer is raising unless it falls under an exemption; or
- Where the retailer has not correctly escalated a complaint in line with its complaints process and CCW would have investigated it if the retailer had done so.

Investigations fell by more than a third from 36 to 23 compared to the previous year. This marks the lowest level since the market opened. Wave and Water Plus accounted for 19 of these investigations.

Although the reduction in investigations for a second consecutive year is encouraging, the business retail market still accounts for a disproportionate amount. It continues to generate 50% more investigations than the household sector. We want to see those retailers who continue to generate investigations to improve further in this area in 2022-23. We will support further improvement by continuing to facilitate and encourage the sharing of best practice through our Business Retail Market Forum.

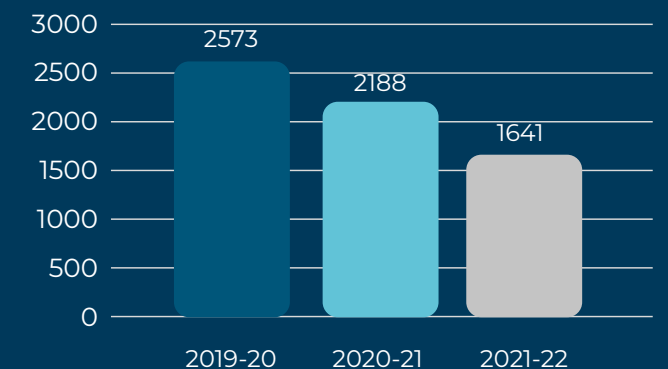
**Chart 6: CCW Investigations**



# Root causes of complaints made to CCW

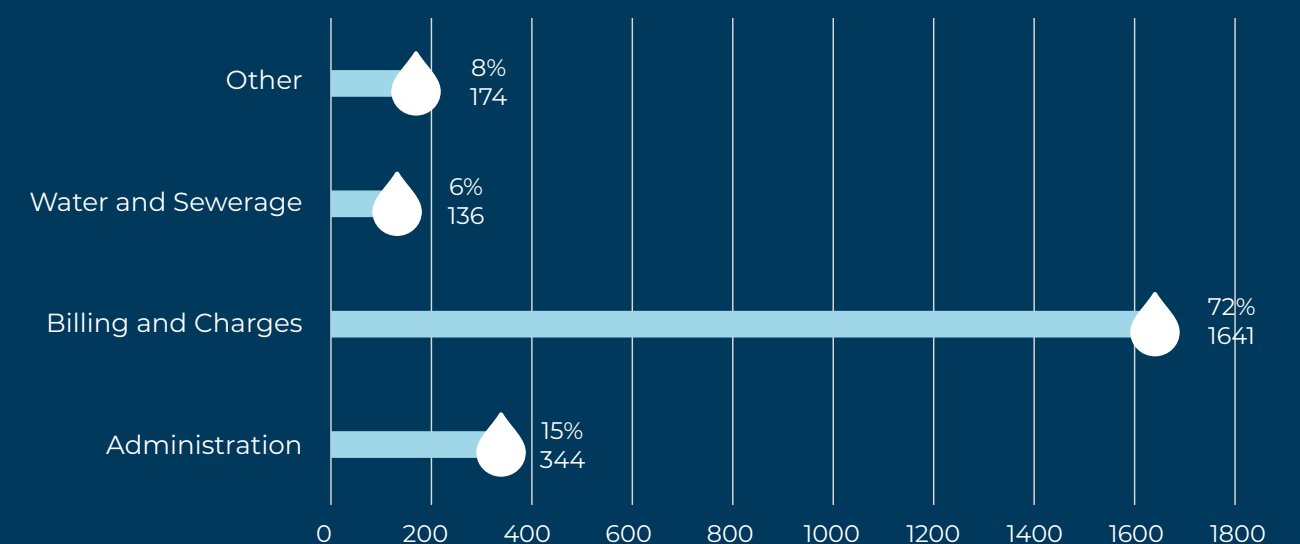
The majority of complaints CCW received related to billing and charging issues, covering a range of areas such as disputed liability for metered charges, bill accuracy, leakage allowance and debt recovery. The number of complaints of this type decreased by 25% and now make up 72% of all complaints to CCW compared to 77% in 2020-21. This remains higher than the proportion of billing and charging complaints in the household sector that currently stands at 47%.

**Chart 8: Billing and charging complaints to CCW 2019-20 to 2021-22**



Customers disputing how much water they had been charged for remained the biggest single cause of billing and charging complaint to CCW at 48%. However complaints of this nature did still fall by more than a quarter compared to the previous year.

**Chart 7: Business complaints received by CCW by main category**





**Charlie had been billed by a retailer as a business since the market opened but his property was solely for domestic use. The retailer removed the outstanding charges but declined to provide the level of compensation the customer was requesting. CCW reviewed the case and identified that the retailer had only removed unpaid charges, not charges the customer had already paid. The retailer subsequently removed the remaining charges totaling £777.55 and also paid Charlie an additional £100 as a gesture of goodwill.**

Complaints associated with estimated billing and debt recovery reduced by over one-third. These had been significant causes of concern for customers in late 2020-21, as business returned to normal working following Covid-19. Some retailers worked hard to bill their customers on actual meter readings, while others held back from taking debt recovery action and offered financial help where needed. It is particularly encouraging to note that the 35% fall in debt recovery complaints is significantly greater than the 7% rise experienced in 2020-21. It is likely that part of the reduction resulted from businesses paying bills without the need for debt recovery as they started to reopen. Our engagement with retailers has identified improvements in communications and approach that will also have had an impact and we want to see this good customer service continue with support being offered to businesses recovering from the impact of the pandemic.



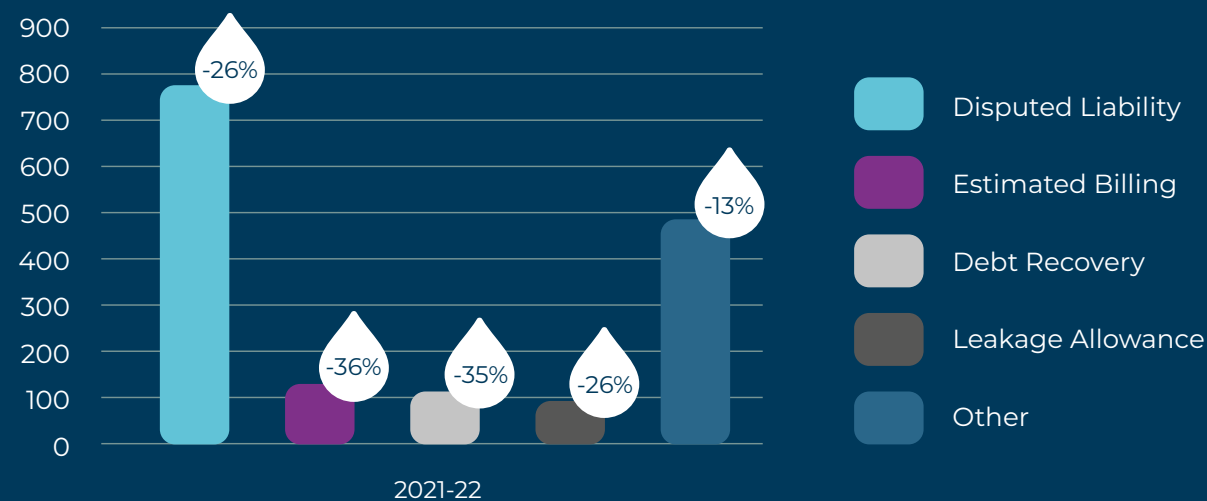
**A football club contacted CCW as it was not receiving its non-return to sewer allowance. CCW challenged the wholesaler and retailer that led to the club being refunded £11,133 and its on-going bills reduced by around £5,000 per year.**

A best practice guide is available on our website <https://www.ccwwater.org.uk/wp-content/uploads/2020/11/Leak-Allowance-Customer-Guidance.pdf>, which sets out what customers rights and responsibilities are when a leak occurs, and how they can claim an allowance. We have also recently started to collect additional information from retailers that will enable us to better understand the problems and help the sector to improve further.

The second largest category of complaints to us were associated with administration. Complaints of this type fell slightly and accounted for 15% of all complaints to CCW. While these include complaints about failures to respond to customers and issues around refunds, the greatest number are associated with incorrect account information. These rose by nearly a third during the year to make up 46% of all administration complaints. Business closures during the pandemic and changes of tenancy as some started to operate again may have been a significant contributor to these type of complaints.

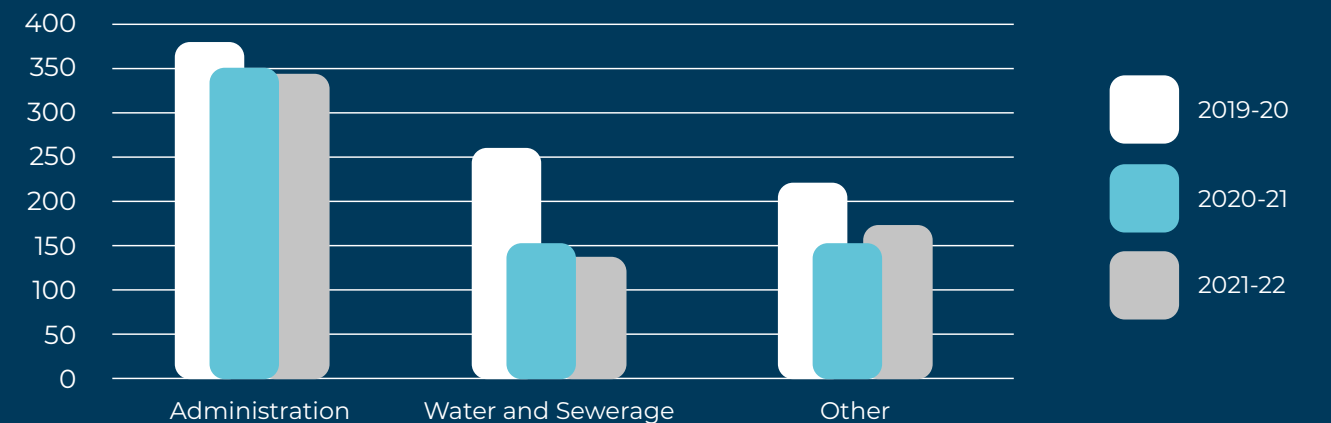
It is also pleasing to see the significant reduction in complaints relating to leakage allowance. Historically, this has been a significant area of concern and we have worked with retailers and the wider industry, as part of the Retailer Wholesaler Group (RWG), to determine how we can reduce complaints of this type.

**Chart 9: Billing and charging complaint root causes**



above percentages are the change in figures from 2020-21

**Chart 10: Non-billing and charging complaints to CCW 2019-20 to 2021-22**



# Individual retailer performance

Our main focus is on larger retailers as these supply 99% of the retail market and generate 99.9% of complaints.

We compare retailers directly in both written complaints and complaints to CCW and assessed performance based upon respective quartiles.

Smaller companies are assessed separately due to the effect that very small changes can have in their respective complaint rates due to their low absolute number of complaints.

## Larger retailers

The performance of each larger retailer is summarised in Table 2.

Overall, half of the retailers have seen a reduction in complaints to them compared to the previous year. Complaints made to CCW improved for all but two retailers in 2021-22 compared to 2020-21. Water Plus and SES Business Water are in the worst performing quartiles for both measures in 2021-22.

Written complaints to Water Plus have increased for the second year in a row, 25% higher than 2020-21. This is significantly the worst complaint rate in the industry, almost 50% higher than the next worst performing retailer in this measure. Water Plus identified that three-quarters of these complaints were solely attributable to its own actions as the

retailer. Complaints to CCW about Water Plus reduced for the third successive year. However improved performance across the sector ensured that its performance remained firmly rooted in the worst performing group. This is attributable, in part, to a backlog of complaints and resourcing pressures which we are working with the retailer to help address.

SES Business Water had a 12% increase in written complaints, with its complaint rate having tripled since 2018-19. It was one of only two retailers to generate an increase in the number of complaints to CCW. This rise was largely due to the retailer being under-resourced, as well as problems with their administration processes. The delays in responding to customer queries and complaints led to an increase in businesses contacting us to find a resolution. The retailer has taken steps to address these issues and we hope to see a reduction in complaint numbers to it and ourselves over the coming year.

Clear Business Water were poor performers in written complaints and worse than average in complaints to CCW, despite the significant improvement in the latter.

Castle Water significantly improved across both measures, moving out of the worst performing quartile for written complaints but remaining poor performers for disputes brought to CCW. After the sharp rise in debt recovery complaints in 2020-21, Castle Water saw a steady reduction between the months of August and December 2021. This was driven, in part, by improved communication with businesses around the importance of submitting regular meter reads in order to increase bill accuracy.

Table 2: Complaint performance of larger retailers

Retailer	Written complaints per 10,000 SPIDs		Complaints to CCW per 10,000 SPIDs	
	2021-22	% Change	2021-22	% Change
Water Plus	110.3	25	12.0	-16
Clear Business Water	75.0	31	6.9	-49
SES Business Water	56.6	12	12.3	6
Castle Water	55.4	-21	13.0	-29
Business Stream	33.4	-27	2.9	-14
Wave	20.2	-38	5.1	-16
Source for Business	20.0	9	4.2	-1
Water2Business	15.8	7	0.6	-7
Dŵr Cymru	14.1	-26	0.8	-26
Everflow	9.7	7	6.5	-21
Hafren Dyfrdwy	7.0	-65	0.0	-100
First Business Water	0.0	0	1.2	Increase <sup>11</sup>

■ Good

■ Better than average

■ Worse than average

■ Poor

During the previous year, many customers had felt the need to contact us after being unable to get a response from Castle Water. Throughout 2021-22, we worked with Castle Water to help resolve outstanding complaints and ensure customers received quicker responses. Combined with the decrease in complaints to us throughout 2021, this resulted in the previous backlog reducing significantly.

We received no complaints about Hafren Dyfrdwy during 2021-22. This improvement ensured that it was the only retailer to perform in the best quartile for both measures. First Business Water received no written complaints and only one complaint to CCW. Both Water2Business and Dŵr Cymru Welsh Water were better than average in written complaints they received and good performers for those raised with CCW.

Elsewhere there were some big improvements across the larger retailers. Business Stream reduced complaints following the increase in 2020-21, which had been attributed to the acquisition of Yorkshire Water Business. Wave continues to engage well with CCW, and should be commended for putting in place measures to address identified complaint issues quickly and effectively. This pro-active approach has helped to deliver improved complaints performance, with a 36% reduction in written complaints made directly to Wave and 16% reduction to CCW compared to the previous year. We want to see this pro-active engagement and action continue.

Both companies in Wales also improved significantly in both measures and continued to deliver better complaint performance than the majority of the retail market in England.

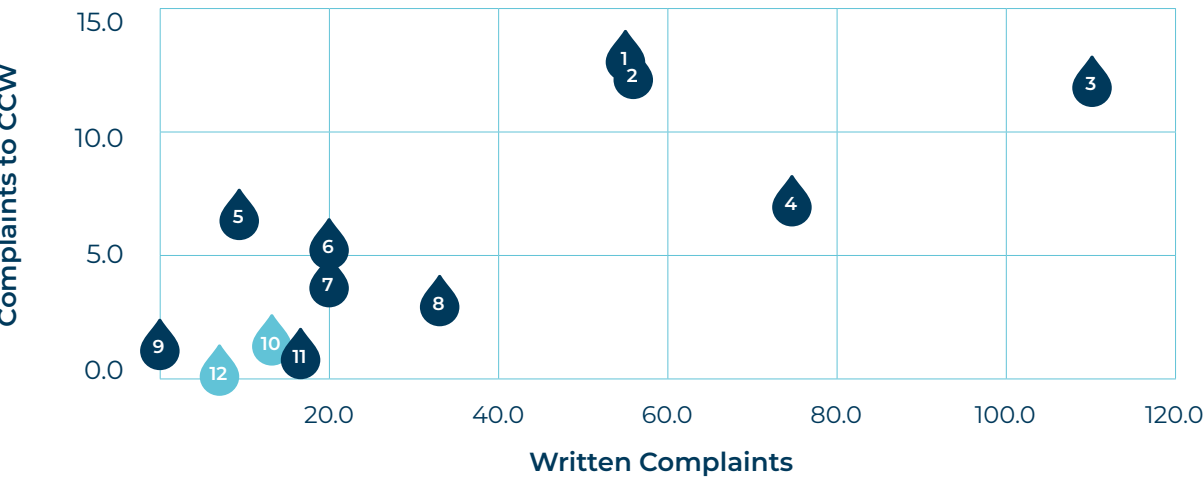
<sup>11</sup> First Business Water received 1 complaint to CCW in 2021-22 compared to 0 in 2020-21.





The relative performance of each retailer can be seen in Chart 11.

Chart 11: Written complaints plotted against complaints to CCW



1. Castle Water · 2. SES Business Water  
3. Water Plus · 4. Clear Business Water  
5. Everflow · 6. Wave · 7. Source for Business  
8. Business Stream · 9. First Business Water  
10. Dŵr Cymru · 11. Water2Business  
12. Hafren Dyfrdwy

# Welsh Company    # Retailer

There are a number of small companies actively providing services and collectively these account for just 1% of the market share in the retail market. Table 3 details the respective performance of each small retailer.

Yu Water is the only small retailer currently active in the market that generated any complaints in 2021-22. It also recorded complaints in 2020-21. It is disappointing that despite having a very low customer base, businesses still had cause to complain and needed to contact us to get a resolution. We will be making renewed efforts to engage directly with Yu Water over the coming year to help improve complaint handling, as well as engaging them in our retailer market forum, which allows retailers to share best practice.

Table 3: Performance of small retailers

Retailer	SPIDS	Written complaints		Complaints to CCW	
		Total complaints	Complaints per 10,000 SPIDs	Total complaints	Complaints per 10,000 SPIDs
ADSM	3923	0	0	0	0
ConservAqua	1760	0	0	0	0
Smarta Water	3326	0	0	0	0
The Water Retail Company	735	0	0	0	0
Veolia	422	0	0	0	0
Yu Water	1233	9	73.0	6	48.7

# Conclusions

As the sector continues to recover from the impact and aftershocks of the pandemic, some retailers are making good progress in reducing complaint levels while others have seen significant rises in written complaints.

Despite the slight fall in written complaints across the sector in 2021-22, the numbers have remained largely static for the last three years. The overall number of complaints tells us only part of the story though, as performance among the larger retailers is very mixed. Strong reductions in complaints to three of the four largest retailers - Castle Water, Business Stream and Wave - were significantly offset by a large increase in complaints to Water Plus. As the largest retailer in the market serving just over 25% of all SPIDs, Water Plus accounted for 56% of all written complaints. Its performance is now worse than at any point since the market opened and it has fallen considerably behind other retailers. We continue to work with Water Plus to reduce its complaint

backlogs and resourcing issues and expect performance to improve as a result.

Although the impact on overall numbers is smaller, Clear Business Water and SES Business Water also generated large increases in written complaints. We expect that the steps taken by both retailers in 2021-22 will result in fewer complaints to both of them in the coming year.

More positively, there is growing evidence that the whole sector is improving how it handles and resolves complaints. Complaints to us have reduced for the third consecutive year with the majority of retailers improving their performance year-on-year. Encouragingly we saw significant reductions across the billing complaints that historically form the bulk of customer disputes that we handle. This was particularly noticeable in areas of disputed liability of metered charges, estimated billing, debt recovery and leakage allowance. We have worked with retailers through the creation of

a Business Retail Market Forum, as well as continuing to engage with the Retailer Wholesaler Group, to share best practice and drive down billing and charging complaints and this is beginning to bear fruit.

We have also seen a reduction in the number of investigations that we needed to undertake. Wave and Water Plus now generate the majority of investigations and we urge them to bring their processes and procedures in line with the new guidance to help us to eradicate these across the sector.

There is some evidence suggesting that complaints caused by wholesalers increased in 2021-22. We have improved the data that we collect from retailers to better understand this and will work alongside MOSL to gain greater insight in this area. This will help to feed in to the wider work the industry is doing to improve wholesaler performance and accountability for the services they provide to customers. However, retailers must

also recognise that the majority of complaints (74%) continue to be caused by their own actions. They must focus on tackling the root causes of customer concerns that are within their own grasp to resolve.

Finally, although there are encouraging signs, particularly in relation to better complaint handling, performance across the industry still has some way to go to reach the levels seen prior to the introduction of the market. Retailers in England need to aspire to reach the much lower levels of complaints that are being made about the companies in Wales.

## Next steps

CCW continues to work closely with wholesalers, retailers, Ofwat and partner agencies to drive improvement across the market. Our strategy sets out that we are committed to continually improve satisfaction levels for business customers and we will deliver the following in 2022-23:

- A 10% reduction in the number of complaints received by CCW from business customers by March 2023.
- Help business customers become better informed about their payment options and the credit levels on their accounts, and work to ensure retailers return the credit owed to them on an annual basis, from April 2023.
- Publish a report by March 2023 assessing how the first five years of the market have delivered for business customers, covering key areas such as customer service, support for struggling businesses and water efficiency advice.

CCW now chairs a Business Retail Market Forum every two months attended by water retailers, with the intention of improving business customer experience. Retailers have welcomed this approach and have committed to actively share best practice and standardise approaches where appropriate. More detailed data provided by both retailers and MOSL from April 2022 will help us to gain a clearer understanding of problems in the market and provide a more solid evidence base for change where it is needed.

We highlighted in our 2021 report that we were working with companies to develop robust complaints guidance that will drive greater consistency in companies' reporting of complaints across all channels. Retailers have welcomed this and it was implemented across the sector from April 2022. This will enable us to look at complaints across all channels and not just those in writing.

Finally, we have agreed with retailers that we will share data via our website on a quarterly basis to allow customers to view the latest performance of retailers and help them make informed choices.



## Credit where it's due Campaign

This year will bring challenges for businesses as many continue to recover from the effects of the Covid-19 pandemic and face the on-going cost of living crisis. Every penny counts so now more than ever, businesses should have the confidence they are not over-paying for water services and they have accurate bills. Dissatisfaction in these areas can rightly give customers cause for complaint. That's why we will be campaigning to strengthen the protections around customer credit, and ensure that businesses are aware of all available payment options on offer from their retailer.

Improvements have already been made in this area as a result of Ofwat's recent changes to the rules around business protections. From April 2022, as part of a wider package of reforms, retailers are required to advise customers paying in advance of the risks and benefits with this payment method, and to inform them of other payment arrangements. We continue to see some complaints from customers who are concerned about paying in advance, so this change should result in businesses being better informed about the different payment choices available to them.

To further improve the customer journey we will also be calling for a requirement for retailers to refund any accrued credit automatically on an annual basis. Greater transparency of this type of information should foster closer relationships between customers and retailers, which may contribute to the continued decline in complaints.





The voice for water consumers  
Llais defnyddwyr dŵr



[ccwater.org.uk](https://ccwater.org.uk)



## Contact us

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